

Commissioner Navarro Announces \$212,505 Settlement with Assurant, Inc.

Dover, DE – The Delaware Department of Insurance, along with insurance regulators for forty-eight other jurisdictions, have reached a multi-million dollar settlement with Assurant, Inc., regarding the company's writing of force-placed property insurance, of which Assurant is the nation's largest writer.

Force-placed property insurance is a type of insurance that allows a financial lender the opportunity to insure its financial interest in a property. Under this insurance, a lender will take out a force-placed insurance policy on a property due to the fact that the property owner's insurance has either expired or has been determined to be unsatisfactory in coverage.

The settlement, which became effective on March 20, 2017, is the result of a multistate targeted market conduct examination called in 2015 and led by regulators from Delaware, Florida, Indiana, Massachusetts, Missouri, Pennsylvania, and Rhode Island. The examination responded to concerns that the rates charged to consumers in the force-placed property insurance market were excessive and that the resulting "surplus" premium (paid by consumers) was transferred to mortgage servicers (who control the purchasing decision) by means of rebates.

Under the settlement, Assurant has confirmed a change in business practices designed to prevent the payment of rebates in connection with the issuance of force-placed property insurance and to curb reverse competition in the market. Assurant has also agreed to regularly re-file its rates for force-placed property insurance and make annual reports to the subscribing jurisdictions that will assist in ongoing market

surveillance. In addition, Assurant will be making a \$75 million payment that will be allocated proportionally among the subscribing jurisdictions. Delaware's proportional share is \$212,505.00.

"Consumers deserve an insurance marketplace that is fair, affordable and competitive," said Delaware Insurance Commissioner, Trinidad Navarro.

"By entering into this agreement, Assurant has drawn a line under the past and committed to being part of the solution in the force-placed property insurance market. The Delaware Department of Insurance commends Assurant for its confirmation of these business practices and for its commitment to fair and compliant competition."

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Contact: Vince Ryan

Office: (302) 674-7303

Email: vince.ryan@delaware.gov